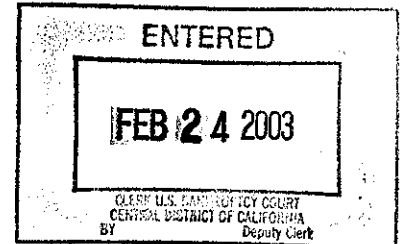
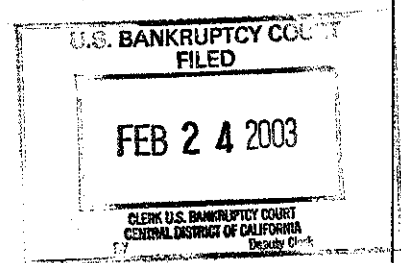


ORIGINAL



Marc J. Winthrop – State Bar No. 63218  
Garrick A. Hollander – State Bar No. 166316

**WINTHROP COUCHOT  
PROFESSIONAL CORPORATION**  
660 Newport Center Drive, 4<sup>th</sup> Floor  
Newport Beach, CA 92660

Telephone: (949) 720-4100  
Facsimile: (949) 720-4111

Proposed General Insolvency Counsel for  
Debtor and Debtor-in-Possession

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SANTA ANA DIVISION**

In re

STM WIRELESS, INC., a Delaware  
corporation,

Debtor and  
Debtor-in-Possession.

Case No. SA 03-11289 JR

Chapter 11 Proceeding

**ORDER APPROVING DEBTOR'S  
EMERGENCY MOTION FOR ORDER**

- (1) APPROVING OVERBID  
PROCEDURES AND TOPPING FEE IN  
CONNECTION WITH PROPOSED  
SALE OF SUBSTANTIALLY ALL OF  
THE ASSETS OF THE ESTATE; AND**
- (2) SETTING HEARING ON MOTION  
FOR SALE OF SUBSTANTIALLY ALL  
ASSETS OF THE ESTATE**

DATE: February 24, 2003

TIME: 10:00 a.m.

PLACE: Courtroom "5A"  
411 West Fourth Street  
Santa Ana, CA 92701

LOGGED

03 FEB 24 PM 3:17

CLERK U.S. BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIF.

BY

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24  
20

On February 24, 2003, at 10:00 a.m., a hearing was held before this Court with respect to the Debtor's Emergency Motion for Order (1) Approving Overbid Procedures and Topping Fee in Connection with Proposed Sale of Substantially All of the Assets of the Estate and (2) Setting Hearing on Motion for Sale of Substantially All Assets of the Estate; Memorandum of Points and Authorities (the "Motion") filed by STM Wireless, Inc., debtor and debtor-in-possession in the above-referenced Chapter 11 case (the "Debtor"). Marc J. Winthrop, Esq. of Winthrop Couchot Professional Corporation appeared on behalf of the Debtor. Other appearances, if any, were as reflected in this Court's record of the proceedings.

This Court, having reviewed the Motion, the declarations and other evidence submitted in support thereof, the pleadings and other documents on file in this Chapter 11 case, and this Court having found that, under the circumstances of the case, the notice given of the hearing on the Motion was sufficient, and for other good and adequate cause,

**IT IS HEREBY:**

**ORDERED** that the Motion is granted; and it is further

**ORDERED** that the hearing on the Motion for Order Approving the Sale of Substantially All of the Assets of the Estate ("Sale Motion") shall be held on March 7, 2003, at the hour of 10:00 a.m., in Courtroom 5A of the above-entitled Court, located at 411 West Fourth Street, Santa Ana, California; and it is further

**ORDERED** that the Debtor shall serve via <sup>facsimile or telephone by February 24, 2003</sup> ~~first-class mail within one (1) business day~~ of the entry of this Order, notice of the hearing on the Sale Motion upon the United States Trustee, <sup>the secured creditors, the twenty largest unsecured creditors, and all</sup> ~~all creditors, parties requesting special notice and such other parties designated by the~~ Court; and it is further

**ORDERED** that responses, if any, to the Sale Motion shall be filed with the Court and served upon (1) Winthrop Couchot PC, Attn: Marc J. Winthrop, Esq., 660 Newport Center Drive, 4<sup>th</sup> Floor, Newport Beach, CA 92660; and (2) the Office of the U.S. Trustee, 411 West Fourth Street, Suite 9041, Santa Ana, CA 92701-8000, by on or before 4:00 p.m. on March 5, 2003; <sup>and replies to such responses by March 6, 2003 on or before 4:00 p.m.</sup> it is further

**ORDERED** that the overbid procedures and topping fee requested by the Debtor in connection with the Sale Motion are as follows:

1           (i)     The Bankruptcy Court will not consider any competing proposal  
2     ("Competing Proposal") unless the Competing Proposal (a) provides for a purchase price  
3     consideration for the Assets of at least One Hundred Percent (100%) of the aggregate  
4     consideration being paid by the Buyer hereunder, plus four hundred thousand dollars  
5     (\$400,000) minimum overbid amount described in (vi) below, (b) is set forth in a written  
6     agreement containing other terms and conditions that are at least as favorable to STM  
7     Wireless, Inc. ("Seller" or "Debtor") as those set forth in the Term Sheet attached as  
8     exhibit "1" to the Declaration of Joseph Wallace in support thereto, (c) is made by a person  
9     or entity financially qualified to consummate the Competing Proposal on a timely basis and  
10    to operate the Debtor's business or the Assets on a financially viable basis, (d) is made by a  
11    person or entity who has completed its due diligence review of the Seller's books and  
12    records, and is satisfied with the results thereof, (e) is made by a person who is obligated to  
13    pay a deposit in the amount of not less than three hundred eighty-five thousand dollars  
14    (\$385,000) payable to the Seller, which deposit shall be refundable if the bid is deemed to  
15    be the High Bid, as defined in (iii) below, and (f) the Competing Proposal is delivered to  
16    the Seller and filed with the Bankruptcy Court at least two (2) court days prior to the Sale  
17    Date. A Competing Proposal that satisfies the foregoing criteria shall be referred to as a  
18    "Qualifying Competing Proposal."

19           (ii)    No information will be provided to prospective overbidders other than  
20    publicly available information without a confidentiality agreement which (a) restricts the  
21    disclosure or use of the confidential information, and (b) provides for an obligation on the  
22    part of the all recipients of information not to solicit or hire any employee of the Debtor for  
23    a minimum period of one year.

24           (iii)   The sale shall be conducted in open Court on the date of the hearing of the  
25    Sale Motion ("Sale Date"), at which time only Sloan Capital, LLC ("Sloan" or "Buyer")  
26    and any party who has submitted a Qualifying Competing Proposal shall be entitled to bid.

27           (iv)    On the Sale Date, the Bankruptcy Court shall decide which of the bids is the  
28    highest and best bid, and such bid shall be deemed to be the "High Bid." The bidder whose

1 bid is definitively deemed by the Bankruptcy Court to be the High Bid must pay all  
2 amounts reflected in the High Bid in cash at the Closing.

3 (v) In the event that the Debtor timely receives a Qualified Competing  
4 Proposal, then the Buyer shall have the right to increase its proposed purchase price by no  
5 less than the overbid offer, plus \$100,000 at the hearing on the Sale Motion. The entity or  
6 entities submitting Qualified Competing Proposals and the Buyer may then submit  
7 successive bids in increments of at least \$100,000 greater than the prior bid, plus, in the  
8 case of a bidder other than the Buyer, the amount of the Break-up fee (\$350,000) payable  
9 to the Buyer in the event of a sale to another party for the purchase of the Assets at the  
10 hearing on the Sale Hearing until there is only one offer that the Court determines the High  
11 Bid.

12 (vi) If the Buyer's bid is not the High Bid, regardless of whether the Seller  
13 consummates a transaction with the successful bidder, then the Buyer shall be delivered a  
14 <sup>break-up</sup> ~~topping~~ fee equal to three hundred fifty thousand Dollars (\$350,000), plus immediate  
15 payment of all DIP financing and associated interests and expenses to be paid to Sloan, or  
16 its designee, in the event the deal is not consummated, and shall be paid ~~solely~~ from the  
17 <sup>or from the purchase price</sup> deposit paid by the successful bidder as part of such successful bidder's Qualifying  
18 Competing Proposal, without any administrative liability therefor to the estate. In the event  
19 of competing bids, the <sup>Buyer</sup> ~~Debtor~~ shall have credit for the ~~amount of its topping fee and the~~  
20

21 ///

22 ///

(the "Loan Repayment")  
return of all post-petition financing and interest and expenses as part of its bid for overbid  
purposes only. If overbidding takes place and if Buyer is the successful bidder, then it  
must pay the amount of its successful bid, less the loan repayment.

DATED: FEB 24 2003, 2003

HONORABLE JOHN E. RYAN  
UNITED STATES BANKRUPTCY JUDGE

**PRESENTED BY:**

**WINTHROP COUCHOT  
PROFESSIONAL CORPORATION**

By: Marc J. Winthrop  
Garrick A. Hollander  
Proposed Attorneys for STM Wireless, Inc., Debtor  
and Debtor-in-Possession

(vii) The successful bidder shall pay the amount of the successful bid and  
the sale must close on or before March 11, 2003.

(viii) Sloan shall deposit \$185,000 with Seller's counsel not later than February 27,  
2003, such deposit to be non-refundable in the event of Sloan's breach of the  
Purchase and Sale Agreement between Seller & Sloan; and its further

ORDERED that in the event of a Qualifying Competing Proposal, the Assets as defined in the  
Sale Motion shall be sold to Sloan for the purchase price set forth in the ~~Sale~~ Motion, in  
which case Sloan shall be a good faith purchaser entitled to the protection of section 365(m).

1  
2 In re: (SHORT TITLE)

CHAPTER 11 CASE NUMBER:

3 STM WIRELESS, INC.

SA 03-11289 JR

4 Debtor and Debtor in Possession

5 **NOTICE OF ENTRY OF JUDGMENT OR ORDER**  
6 **AND CERTIFICATE OF MAILING**

7 TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

8 You are hereby notified, pursuant to Local Bankruptcy Rule Local Bankruptcy Rule 9021-  
9 1(1)(a)(v), that a judgment or order entitled (specify): \_\_\_\_\_

10 **ORDER APPROVING DEBTOR'S EMERGENCY MOTION FOR ORDER (1)**  
11 **APPROVING OVERBID PROCEDURES AND TOPPING FEE IN CONNECTION WITH**  
12 **PROPOSED SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ESTATE;**  
13 **AND (2) SETTING HEARING ON MOTION FOR SALE OF SUBSTANTIALLY ALL**  
14 **ASSETS OF THE ESTATE**

15 was entered on (specify date): FEB 24 2003.

16 I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment  
17 to the persons and entities on the attached service list on (specify date):

FEB 24 2003.

[See Attached Service List]

18 DATED: FEB 24 2003

JON DAVID CERETTO

Clerk of the Bankruptcy Court

21 By: Elizabeth Steiner  
22 Deputy Clerk

**SERVICE LIST**

United States Trustee  
411 West Fourth Street  
Suite 9041  
Santa Ana, CA 92701-8000

STM Wireless, Inc.  
Attn: Joe Wallace  
1 Mauchly  
Irvine, CA 92618

**SECURED CREDITOR**

CIT Group  
c/o Gary Samson, Esq.  
Orrick Herrington et al  
777 S Figueroa St #3200  
Los Angeles, CA 90017

Winthrop Couchot PC  
Attn: Lori Gauthier  
660 Newport Center Dr., 4<sup>th</sup> Floor  
Newport Beach, CA 92660

**Sloan Capital Partners, LLC**

C/o Jeffrey A. Davis, Esq.  
Gray Cary Ware & Freidenrich LLP  
4365 Executive Drive, Ste. 1100  
San Diego, CA 92121-2133